HUD newsletter
U.S. Department of Housing and Urban Development
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February 27, 1978 Vol. 9 No. 9

Current Trends

Following a report issued earlier that new single-family home sales in 1977 exceeded those of any year since 1963, when recordkeeping first began... a subsequent survey shows that 1977 was also the best year ever for existing home sales. According to the *National Association of REALTORS*... more than 3.5 million sales of previously-owned houses took place during the year... 19 percent higher than in 1976. The rate for the month of December reached a seasonally-adjusted annual rate of 4.4 million units... almost 20 percent above December 1976. This high rate prevailed throughout the country.

The ***REALTORS*** also reported that the **median** sales prices of existing homes declined in December by $300 to $44,200 from November... but were more than $5,000 higher than the December 1976 figure. The ***FHLBB*** reported the **average** price of a **new** home in January... followed the same pattern of the **median** price drop for December reported by the ***REALTORS***... and declined to $56,900 from $57,700 in December.

The *Bank Board* also reported that interest rates on new-home mortgages in January rose to 9.15 percent... up from 9.09 percent in December... and their highest level since the 9.33 percent rate in January 1975. For existing homes... the conventional rate was 9.13 percent... slightly higher than the 9.12 percent in December. The *Board* attributed the increase to earlier rises in open-market rates.

HUD has released private mortgage insurance activity data for the month of December. Although such insurance activity followed the usual seasonal pattern and declined during the month... activity was more than 34 percent above December 1976... and the year 1977 set new industry records. For the year... private mortgage insurers received 730,907 new applications (an increase of 40.7 percent), and issued 617,398 new certificates of insurance (a 37 percent increase) carrying a total loan volume of $21.6 billion (an increase of almost 48 percent). Insurance in force amounted to $63 billion... an increase of more than $13.4 billion over 1 year ago. This was also the first year private mortgage insurers began to insure pools of conventional mortgage loans. Five of the major companies... beginning in September 1977... issued $242.3 million in such pools. At the end of 1977... the outstanding mortgage balance of these pools stood at $237.8 million.

Privately-financed housing starts in January were at the seasonally-adjusted annual rate of 1.549 million units... down 29.4 percent below the December 1977 rate of 2.194 million... but 11.2 percent above the January 1977 level. Permits issued during January for future starts followed the same trend... and were at the rate of 1.533 million units... down 15.4 percent below the December rate of 1.811 million units... and 15 percent above the comparable month in 1977.

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Building Material Prices Rise

The *Labor Department's* survey of wholesale prices for January showed that building material prices... most especially lumber and plywood... rose substantially during the month. While the overall wholesale price increase for all commodities moved upward only one-half of 1 percent... lumber, plywood, and other wood products showed a rise of more than 3 percent. Other building materials... glass, concrete, brick and block, asphalt roofing, etc. rose 2 percent... heating equipment... up 1.3 percent... and fabricated structural metal products increased 0.3 percent.

Supreme Court Dismisses Rent Control Suit

According to the *Law Project Bulletin* of the ***National Housing Law Project of Berkeley***... in *Muss v. City of Miami Beach, Florida, No. 77-502* ***(U.S. Supreme Court)*** ... landlords' contention that the Miami Beach rent control ordinance violates the due process clause of the *14th Amendment to the Constitution of the United States* because it states an emergency in the preamble which did not factually exist either at the time of adoption or subsequently... and because the ordinance was particularly repugnant when applied to luxury housing... has been denied by the high *Court*. A two-sentence letter informed *Appellants* of the ***Court's*** order that their "appeal is dismissed for want of a substantial Federal question."

The Florida ***Trial, Appeals, and Supreme Courts*** all upheld the constituionality of the challenged ordinance in this case and a companion case, *Lifshitz v. City of Miami Beach, 339 So. 2d 232* ***Dist. Ct. App.)***. The issues raised on appeal to the ***U.S. Supreme Court*** concerning emergency and restriction of private property rights are present in every major rent control litigation... so that the ***U.S. Supreme Court's*** dismissal of this case for want of a substantial Federal question is determinative of the issues presented. Simply stated... the ***Supreme Court*** obviously does not find a valid constitutional argument in the private property or emergency issues. It is therefore clear that at least these two rent control issues will be finally determined by the various ***State Appellate Courts.***

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New Insurance Administrator Named

President Carter has nominated Gloria M. Jimenez of Durham, N.C. as *Administrator of HUD's Federal Insurance Administration.* The nomination is subject to ***Senate*** confirmation.

Mrs. Jimenez has been ***Deputy Commissioner of the North Carolina Department of Insurance***... and prior to that was ***Director of Housing and Urban Programs*** with the ***Department of Local Affairs in Raleigh, N.C.***

FIA administers the ***Department's*** federally-subsidized *Flood Insurance Program* to protect owners from severe financial losses, encourage communities to undertake local flood control measures, and ultimately reduce Federal cost for flood disasters. ***FIA*** also administers the *Urban Property Insurance Program* that provides protection against losses from riot and crime.

Mrs. Jimenez was born in New York City and attended ***Hofstra University***, Hempstead, N.Y., and graduated from ***Brooklyn Law School*** in 1954.

She is author of several publications, including *Insurance and Women in North Carolina 1976.*

She and her husband, Victor, have two children.

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AIA Executive Changes

David O. Meeker, *FAIA*, a former *HUD* Assistant Secretary, has been named to the top staff position of the *American Institute of Architects.* Mr. Meeker... a professional architect... will succeed William L. Slayton, Hon. ***AIA***, who has resigned after directing the ***Institute*** for 8 years.

Elmer E. Botsai, *FAIA*, chairman of the *Department of Architecture* at the *University of Hawaii, Honolulu*, has been installed as the 1978 president of the *American Institute of Architects.* Botsai succeeds Houston architect John M. McGinty, ***FAIA***. A former resident of California... until 1976... Botsai is a partner in the firm of ***Botsai, Overstreet and Rosenberg***, San Francisco. He received a Bachelor of Architecture degree from the ***University of California, Berkeley***.

Ford Foundation Grants

The *Ford Foundation* has made several recent grants in the fields of housing and urban affairs. Further details regarding each grant may be obtained from the individual listed.

Interracial neighborhoods are among the most sensitive spots on America's social terrain. Situated between city slum and affluent suburb, they are likely to encounter many problems such as aging housing, troubled schools, and rising crime rates, without the resources of the suburbs. Groups have formed in many parts of the country to meet these problems. In Milwaukee, Los Angeles, Cleveland Heights, and other cities certain real estate practices threaten the interracial neighborhood mix. . . while in other Northern communities local groups struggle with issues relation to school desegregation.

National Neighbors, Inc. is the country's principal organization working to strengthen interracial neighborhoods. It links 107 neighborhood organizations and 57 associated groups. Assisted by the *Ford Foundation* since 1974, the agency has recently received a $125,000 supplement to serve its expanding membership through conferences, field service operations, and publications:

Brian Hinman, Project Director, *National Neighbors, Inc.*, 119 N. 18th St., Philadelphia, Pa. 19107.

Another urban trouble spot is the quality of life and the delivery of services within public housing communities. ***The Tenant Affairs Board of St. Louis*** which was formed to improve the management of public housing, carries on a variety of employment, economic development, social services, and educational programs for tenants. To continue this work, a $138,000 supplementary grant was made to *TAB*. The organization has created a job development program in which tenant management corporations at 5 sites employ residents for project renovations and landscaping. With the ***St. Louis Board of Education***, it also conducts a program to encourage involvement by parents and tenant corporations in activities of the neighborhood's public schools, including curriculum development.

Jean King, Project Director, *Tenant Affairs Board*, 1300 South 14th St., St. Louis, Mo. 63104.

Efforts to improve the operations of low- and moderate-income housing are not confined to public housing. To help board members of subsidized housing cooperatives manage their projects more effectively, the ***Foundation*** made a grant of $30,000 to the ***Midwest Association of Housing Cooperatives, Inc.***, which represents 12,000 units in 59 co-ops in Michigan. It provides board members with assistance in financial management, resident selection, and other aspects of cooperative housing.

Ed Ignatius, Project Director, *Midwest Association of Housing Cooperatives, Inc.*, 527 E. Liberty, Suite 205, Ann Arbor, Mich. 48108.

Cooperative Services, Inc., $350,500 program-related investment, to guarantee a letter of credit for construction of a 151-unit housing project for the elderly and handicapped in Detroit. ***HUD*** is providing mortgage financing for the project.

Mr. Fred Thornthwaite, Executive Director, *Cooperative Services, Inc.*, 7404 Woodward Avenue, Detroit, Mich. 48202.

Downriver Community Conference, $90,000 over two years, for partial support of the startup costs of this recently formed alliance of towns and villages along the Detroit River south of Detroit. The communities will undertake cooperative projects in such fields as solid waste disposal, mosquito control, the rerouting of heavy trucks, and the sharing of expensive equipment.

Mr. Dewitt J. Henry, Executive Director, *Downriver Community Conference*, 3131 Biddle Avenue, Lower Level, Wyandotte, Mich., 48192.

FYI

National Erectors Association. . . Annual Meeting. . . La Costa, Calif., March 28-31. **Details:** *NEA*, **Director of Programs and Meetings, 1800 N. Kent St., Suite 904, Arlington, Va. 22209.**

National Association of Review Appraisers. . . 1978 Seminar Programs. . . Designed for the Corporate Review Appraiser, the Financial Review Appraiser, and the Governmental Review Appraiser; **Independent**. . . Cincinnati, April 7. . . **Governmental**. . . Denver, April 14. . . **Financial**. . . San Francisco, April 21. . . and **Corporate**. . . Dallas, April 28. **Details: Stephen Schneck,** *NARA*, **Midwest Federal Bldg., Suite 410, St. Paul, MN 55101 (612/227-6696).**

The Oklahoma Historic Preservation Review Commission. . . the Oklahoma Humanities Committee. . . and the National Endowment for the Humanities, joint sponsors. . . *Conference on Preservation in the Human Context*. . . Oklahoma City, April 14-15. **Details: Joy Dunn,** ***State Historic Preservation Office*****, Oklahoma City, Oklahoma 73105 (405/521-2491).**

National Committee Against Discrimination in Housing, Inc., in cooperation with *HUD. . . Fair Housing Conference*. . . Washington, D.C., April 17-18. **Details: Eugene T. Lowe,** *NCDH*, **1425 H St., N.W., Washington, D.C. 20005 (202/783-8150).**

National Academy of Sciences. . . Annual Meeting. . . Washington, D.C., April 24-25. **Details:** *NAS*, **2101 Constitution Ave., N.W., Washington, D.C. 20418.**

Community Associations Institute. . . 1978 Workshops on Condominium and Homeowner Association Operations and Law. . . **Boston**, May 5; **Seattle**, May 12; **Chicago**, May 18; **Atlanta**, June 1; **Denver**, June 9; and **Houston**, June 23. **Details:** *CAI*, **1200 18th St., N.W., Washington, D.C. 20036 (202/223-6770).**

Urban Land Institute. . . Spring Meeting. . . New Orleans, May 28-30. **Details:** *ULI*, **1200 18th St., N.W., Washington, D.C. 20036 (202/331-8500).**

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